

MEDICAL ASSISTANCE PURCHASE PLAN

Background:

The Medicaid Purchase Plan (MAPP) extends access to Medical Assistance (MA) benefits to individuals with disabilities who are working, or are interested in working.

MAPP is different from other MA programs for the following reasons:

- Individuals may qualify with higher income and asset levels;
- Depending on an individual's income, a premium payment may be required;
- The definition of disability for the MAPP program excludes the first step of the Social Security Administration's disability determination process: is the individual earning over the SSA substantial gainful activity level (which is \$860 per month in 2006)? This means that earnings are not considered in the finding of disability.
- Individuals are able to work without fear of losing their health care coverage as a result of their ability to work.

Administration:

Like other Medicaid programs, MAPP is administered by the **Wisconsin Department of Health and Family Services (DHFS)**.

Information about MAPP can be found on the DHFS website, <http://dhfs.wisconsin.gov/medicaid1/recpubs/factsheets/phc10071.htm> and the Medicaid Eligibility Handbook (MEH) chapter 5.12. The MEH is now available online at - <http://www.emhandbooks.wi.gov/meh/>

Non-Financial Eligibility:

All MAPP participants must meet the following non-financial eligibility criteria:

Age - Be at least 18 years old;

Residency - Be a Wisconsin resident;

Citizenship - Meet the citizenship or qualified alien requirements

Disabled - Be determined "disabled" by the Wisconsin Disability Determination Bureau (DDB) in accordance with the MAPP definition of disability, and

Working - Be employed in a paid position or be enrolled in a certified Health and Employment Counseling (HEC) program.

Financial Eligibility:

Applicants must the following financial eligibility criteria:

Asset Limit - The asset limit for this program is \$15,000. Only countable assets of the MAPP applicant are used (**not the spouse or other family members**). With exception of independence accounts (explained below), the rules for countable and exempt resources are the same as other MA programs. For more information see the **Medicaid Resource Training Module**.

Income Limit – Adjusted monthly income must be below 250% of the Federal Poverty Level (FPL), depending on family size. The steps for calculating adjusted monthly income are explained below.

Premiums – Individuals with gross monthly income above 150% of FPL may be required to pay a premium. The steps for calculating premiums are described below.

Independence Accounts – Individuals determined eligible for MAPP may establish independence accounts, which are considered exempt assets. See further explanation of Independence Accounts below.

Employment Requirement:

Frequency - MAPP participants must be engaged in a work activity at least once per month. This has been interpreted to mean as little as **one hour per month**.

Compensation - The applicant must receive **something of value** as compensation for his or her work activity. This includes wages or **in-kind** payments. For example, the MAPP recipient provides childcare for a relative in exchange for payment of utility bills.

Self-employment – Employment requirement will be met as long as the business generates some form of compensation at least once per month, even if the business is not actually making a profit.

HEC - A certified HEC plan will count as employment, effective on the date the plan is approved and all other eligibility criteria are met.

Work Exemption – An exemption of the work requirement may be granted for up to 6 months if a serious illness or hospitalization occurs that prevents the participant from performing work. The participant must be enrolled in MAPP for at least 6 months prior to the exemption. Participants are only granted 2 exemptions within a 3 year period. Participants will be required to complete an exemption request (form HCF 10127).

Health and Employment Counseling:

HEC allows individuals who are not currently employed to enroll in MAPP. The HEC program has three components:

- benefit counseling;
- identification of barriers to employment; and
- networking and community resources.

HEC participants must first file a MAPP application at the County Economic Support

Office. The employment plan is reviewed by the Department of Health and Family Services. Approval/denial letters are then sent to the applicant. The applicant must then present the approval letter to the County Economic Support Office.

If a HEC plan is approved, MAPP eligibility will be granted for a period of **nine months**. If the individual is not employed at the end of nine months, MAPP eligibility will end. A **three-month extension** of the nine-month HEC period will be granted if requested within the first 7 months and it's determined that the individual is likely to be employed during the extended period. Applicants may only access MAPP through the HEC program **twice in any five year period**.

HEC **regional screeners** are available to assist with the development of an employment plan. See the **list of regional screeners in the MEH**. The DHFS website also includes a **Consumer Guide to the HEC program**.

Income Eligibility:

The applicant and his or her spouse (if living in same household) must have **net** income below **250% of FPL**. See also **Medicaid Worksheet WKST 08** in the worksheet section of the MEMH.

Step 1: Calculate the applicant and his or her spouse's **total earned income**.

Step 2: **Deduct** the first **\$65** of **earned** income and **½ of the remainder** (this is the same earned income disregard that applies to SSI and other Medicaid programs).

Step 3: **Deduct** any Impairment Related Work Expenses (**IRWEs**) of the applicant. The result is the "adjusted earned income." IRWE's are expenses paid by the applicant, that are necessary in order for him or her to work. Examples of IRWEs include job coaches, interpreters, typing aids and essential appliances and equipment.

Step 4: Calculate the applicant's and his or her spouse's **total unearned income**.

Step 5: **Deduct \$20** from combined income (this is the standard deduction applicable to SSI and other MA programs).

Step 6: Compare the result to **250% of the FPL** for the appropriate household size.

NOTE: If either spouse has Social Security income subject to **cost of living adjustments** (COLAs), the annual COLA will be deducted from their income from the period of January 1st through the date upon which the **new FPLs** are implemented.

EXAMPLE: Bill has earnings of \$665 and he receives a SSDI monthly benefit of \$700:

\$665.00 earnings
- 65.00 earnings disregard
= \$600.00
divided by 2
= \$300.00 countable earned income

\$700.00 SSDI
- 20.00 general income disregard
\$680.00 countable unearned income

\$300.00 countable earned income
+ \$660.00 Countable unearned income
\$960.00 total adjusted income (less than 250% FPL - \$2,041.67)

Bill is **income eligible**.

Premiums:

If **gross** (i.e. without any deductions) monthly income of the applicant is less than **150% of FPL** for the applicable household size, there will be **no premium**. See **Medicaid Worksheet WKST 09**, in the worksheet section of the MEH.

NOTE: Even though only the applicant's income counts, the spouse and dependent children will be counted toward household size when comparing income to 150% FPL.

If gross income is **above 150% FPL**, a **premium** will be calculated.

Step 1: Calculate **unearned income** of the applicant.

Step 2: Deduct a **standard living allowance** (\$706 in 2006). The standard living allowance is based on the current SSI federal benefit (\$603), plus the state supplement (\$83.78), plus the \$20 general income disregard.

Step 3: Deduct any **IRWE's** of the applicant.

Step 4: Deduct any **Medical Remedial Expenses** (MREs) of the applicant. MREs are medical costs paid by the applicant that relate to the individual's disability, health, or employment. MRE's may not also be claimed as IRWE's and they may not be Medicaid covered expenses. Examples of MRE's include bath or shower modifications, back supports, protective undergarments and uncovered prescriptions.

Step 5: Calculate **earned income**.

Step 6: Multiply earned income by 3%. The total is "**countable earned income**."

Step 7: Add countable unearned and earned income together.

Step 8: *Compare countable income to the* **premium schedule at MEH 8.1.13.**

NOTE: If unearned income is less than the standard deduction (\$706), subtract the remaining deduction from earned income before multiplying by 3%.

NOTE: If the applicant has Social Security income subject to **cost of living adjustments** (COLAs), the annual COLA will be deducted from their income for from the period of January 1st through the date upon which the **new FPLs** are implemented.

**Premium
Calculation
Examples:**

EXAMPLE 1: Amy has \$1,100 in earnings per month and no unearned income. She also has \$60 in IRWEs and \$20 in MREs.

What is Amy's MAPP premium? \$0
Amy's gross income is below 150% FPL (\$1,225)

EXAMPLE 2: Joe has earned income of \$600 per month and he has a monthly SSDI payment of \$850. He pays \$80 per month for specialized computer equipment used at work and he has MREs of \$20.

Does Joe have a MAPP premium? Yes.
Joe's gross income is \$1,450.00, which is over 150% FPL (\$1,225)

What will Joe's MAPP premium be? \$50.00
\$850.00
- \$706.00 living allowance
- \$80.00 IRWE
- \$20.00 MRE
=\$44.00 countable unearned income

\$600 (earnings) x 3%
= \$44.00 countable earnings
+ \$18.00 countable unearned income
= \$62.00 countable income (compare to premium chart)

**Independence
Accounts:**

Independence Accounts must be established after MAPP eligibility is determined. There is no limit on the number or type of account that may be designated, however, it must be registered with the County Economic Support Office.

Deposits into Independence Accounts are **exempt assets**, however, the total deposit **cannot exceed 50%** of actual gross earned income during a twelve-month MAPP review period.

Retirement and pension accounts may be designated as Independence Accounts, however, at the time of application they will be considered countable assets.

There are no limits on what the money in an Independence Account may be used for.

Appeals:

Applicants or participants in MAPP may request a Fair Hearing to review denials of eligibility and premium calculations. Hearing requests must be received by the Wisconsin Department of Administration's **Division of Hearings and Appeals** within **45 days** of the decision.